

Mr. Herbert H. Weldon, Jr.
Senior Deputy Director
Department of Health
825 North Capitol Street, N.E.
Washington D.C. 20002

Dear Mr. Weldon:

We are pleased to inform you that your application, entitled "Program to Enhance Medicaid Access for Low Income HIV-Infected Individuals in the District of Columbia," has been approved as project number 11-W-00131/3 for the period of February 1, 2001 to January 31, 2006. The approval is under the authority of section 1115 of the Social Security Act (the Act).

We commend you for your interest in serving the HIV-positive population in such a unique manner. We believe that your demonstration provides an excellent opportunity to assess, on a manageable scale, whether this approach can improve health outcomes within the constraints of budget neutrality and under an 1115 demonstration program.

Our approval of this HIV/AIDS Demonstration (and the federal matching authority provided for thereunder) is contingent upon the State's agreement to the enclosed special terms and conditions. The special terms and conditions also set forth in detail the nature, character, and extent of anticipated Federal involvement in this project. The award is subject to our receiving your written acceptance of the award within 30 days of the date of this letter.

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived or identified as not applicable in this letter, shall apply to the HIV Demonstration. Subject to approval of your protocol, as described in the special terms and conditions, under the authority of section 1115(a)(2) of the Act, expenditures made by the District of Columbia under the HIV/AIDS Demonstration for the items identified below (which are not otherwise included as expenditures under section 1903) shall, for a period of five years beginning with the enrollment of the first demonstration participant, be regarded as expenditures under the State's Title XIX plan.

- Expenditures for demonstration costs for those persons with incomes up to 100% of the Federal Poverty Level who are not otherwise eligible for Medicaid. Attachment A and D of the special terms and conditions outline the budget neutrality cap and expenditures eligible for Federal match.

Your project officer is Carrie Smith, who can be reached at (410) 786-4485. Your project officer is available to answer any questions concerning the scope and

implementation of the project described in your application. Communications regarding program matters, and official correspondence concerning the project, should be submitted to the project officer at the following address:

Center for Medicaid and State Operations
Health Care Financing Administration
Mail Stop S2-14-26
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Communications regarding program matters should be submitted simultaneously to the project officer and Theresa Rubin at the Philadelphia Regional Office. Her address is as follows:

Health Care Financing Administration
The Public Ledger Building
150 S. Independence Mall West
Suite 216
Philadelphia, Pennsylvania 19106

We extend our congratulations on this award and look forward to working with you during the course of the project.

Sincerely,

Robert A. Berenson, M.D.
Acting Deputy Administrator